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No.

IN THE

Supreme Court of the United States

OCTOBER TERM, 1985

DONALD M. WOODS,

Petitioner,

v.

WILLIAM S. TSUCHIYA,

Respondent.

ON WRIT OF CERTIORARI TO
THE UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

PETITION FOR CERTIORARI

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June 13, 1985

QUESTIONS PRESENTED

1. Did the Court of Appeals ignore due process in taking claims from a patent issued to Woods and giving them to patent applicant Tsuchiya on the ground that Woods was estopped by *res judicata* from asserting his right to those claims because of an earlier proceeding on different subject matter in which Tsuchiya successfully opposed Woods' attempt to include a claim directed to the subject matter of such claims?

2. Did the Court of Appeals commit improper judicial rulemaking by effectively rewriting a Patent Office rule, and applying it retroactively, to deny Woods the benefit of a well-established exception to any such estoppel?

STATEMENT UNDER RULE 28.1

Pursuant to Rule 28.1 of this Court, petitioner Donald M. Woods states that he is an individual. He further states that the patent involved in this case is owned by Emerson Electric Company of St. Louis, Missouri, which has no parent companies, no affiliates and the following subsidiaries (other than wholly-owned subsidiaries): Aichi-Emerson Electric Co. (Japan), Emerson Electric Ireland Ltd. (Bermuda), Emerson Electric GmbH (Germany), Emerson Electric U.K. Ltd. (U.K.), Emerson Leasing Ventures Inc. (Ill.), Emerson Systems Ltd. (Cyprus), I.B.S., S.A. (France), Krautkramer Japan Co. Ltd. (Japan), LARCO, S.A. (France), Pauwels-Chance, Inc. (Del.), Ritz-Chance Industria e Comercio, S.A. (Brazil), Ohkura-Rosemount Co., Ltd. (Japan), Palomar Technology International, Inc. (Cal.), Rosemount (India) Ltd. (India), Rosemount Mexicana S.A. de C.V. (Mexico), SACIT, S.p.A. (Italy), Skil-Infra, S.A. (Mexico), Swequipos, S.A. (Mexico), Tsubakimoto Emerson Co. (Japan), Tuflin (India) Ltd. (India), Tuflin S.A.R.L. (France), Tuflin S.r.l. (Italy), Xomox International GmbH (Germany), Xomox S.A. de C.V. (Mexico), and Yamada/Day-Brite Ltd. (Japan).

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ON WRIT OF CERTIORARI TO
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PETITION FOR CERTIORARI

Petitioner Donald M. Woods respectfully prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Federal Circuit entered in this proceeding on February 15, 1985.

OPINIONS BELOW

The opinion of the United States Court of Appeals for the Federal Circuit (A 1-23) is officially reported at 754 F.2d 1571. The opinion of the Board of Interferences of the United States Patent and Trademark Office ("Patent Office") (A 24-39) has not been officially reported. It is unofficially reported at 220 USPQ 984.

JURISDICTION

The judgment of the Court of Appeals for the Federal Circuit was entered on February 15, 1985. A timely petition for rehearing and suggestion for rehearing en banc was denied on May 7, 1985 (A 40). This petition was filed within 90 days thereafter. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

One Constitutional provision and three Patent Office rules are relevant to this petition. The Constitutional provision is the Fifth Amendment, which reads as follows in pertinent part:

> "No person shall . . . be deprived of life, liberty, or property without due process of law . . . ."

The relevant Patent Office rules are Rules 231(a)(2), 257(b) and 287(d)(2) (37 C.F.R. §§ 1.231(a)(2), 1.257(b) and 1.287(d)(2)). These rules are reproduced in full in the Appendix (A 41-43) and cited in pertinent part in the discussion of the reasons for granting the writ.

STATEMENT OF THE CASE

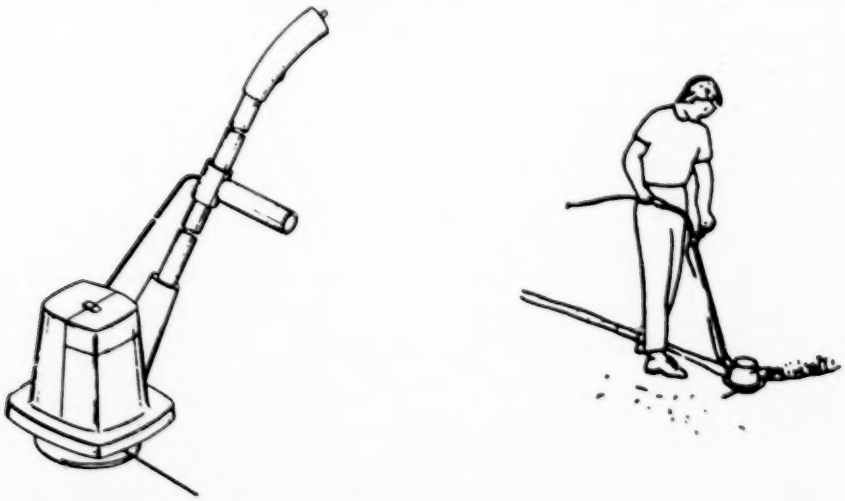
I. Background

This is a patent case. It arises out of an interference proceeding in the Patent Office between Donald M. Woods ("Woods") and William S. Tsuchiya ("Tsuchiya").

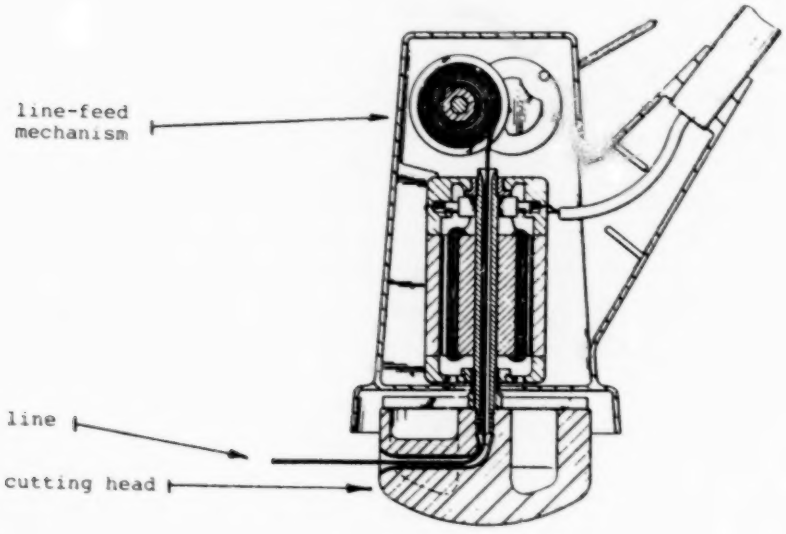
Generally speaking, an interference proceeding is an adversary contest within the Patent Office analogous to litigation. The proceeding is intended to determine which of two (or sometimes more) named inventors was the first to invent subject matter separately claimed by both.

An interference proceeding often is instituted when an applicant for a patent in the Patent Office reads a newly-issued patent and decides—rightly or wrongly—that he is entitled to subject matter claimed in the patent. The applicant then copies claims from the patent into his application and asks that the Patent Office institute an interference proceeding between himself and the inventor named in the issued patent based on the copied claims, which become the "counts" of the interference. An initial issue often arising in an interference proceeding is whether the applicant can "make the counts," that is, whether the disclosure in his application adequately sets forth and describes the subject matter of the counts.

The technical subject matter here in issue is relatively simple. It relates to flexible-line vegetation cutters or trimmers. These cut or trim vegetation with a whirling nylon line. A typical trimmer is pictured below:



The cutting line emerges from what is termed a cutting head. The line is fed to this head by a line-feed mechanism. These two aspects of a flexible-line trimmer—the rotating cutting head and the line-feed mechanism—are delineated below on a cross-sectional view of one such trimmer:



The subject matter here in issue relates to cutting heads and line-feed mechanisms, two different components of a flexible-line vegetation cutter.

II. Proceedings Below

In July 1980, Woods was issued United States Patent 4,211,004 (from which the above illustrations were taken). This patent claims flexible-line vegetation cutters with various line-feed mechanisms. Upon seeing the Woods patent, Tsuchiya copied a number of claims from it and induced the Patent Office to institute an interference proceeding between himself and Woods. Certain of the copied claims (and two other Woods claims later copied by Tsuchiya) became the eight counts of this interference.

Once the interference was declared, Tsuchiya moved for judgment against Woods on the ground of *res judicata*. Specifically, Tsuchiya argued that Woods was precluded from claiming the interference counts because of a ruling adverse to Woods in an earlier interference proceeding between the same parties.

The Patent Office granted Tsuchiya's motion (A 24-39) and was affirmed by the Court of Appeals for the Federal Circuit (A 1-19), one Judge dissenting with a separate opinion (A 20-23). To understand these holdings, certain aspects of the earlier interference proceeding must first be understood.

A. The Earlier Interference Proceeding

The earlier interference proceeding was instituted before the Woods application had issued as a patent, at a time when both Woods and Tsuchiya were prosecuting their respective applications in the Patent Office. The single count of the interference was directed to a flexible-line trimmer cutting head of a particular construction; it made no mention of line-feed mechanisms.[1] Woods believed, however, that line-feed mechanisms were important—indeed, were the real issue in the interference—and moved to add to the interference a count broadly covering the various line-feed mechanisms disclosed by the parties in their respective applications.

This motion was governed by Patent Office Rule 231(a)(2), which required that Woods "must apply the proposed count to all involved applications," that is, demonstrate that both he and Tsuchiya could make the count from the disclosures in their applications. Accordingly, Woods demonstrated that his proposed count was supported by Tsuchiya's application as well as his own. Woods could not have moved to add counts that were supported only by his own application.

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[1] As often happens, the count was proposed by the Patent Office itself, based on its perception of common subject matter in the pending applications of Woods and Tsuchiya. That count was actually one of the claims being prosecuted in the Tsuchiya application.

In making his motion to amend, Woods stressed the importance of line-feed mechanisms:

> "Both of the parties disclose various forms of line feed mechanisms, and both applications contain claims to such a mechanism. For example, see claim 1 and others of the party Woods, and claims 10-12 of the party Tsuchiya. Accordingly, there can be no dispute that, in one form or another, it is the invention of a line feed mechanism which is actually at issue between these parties."

Further, Woods stated that his proposed count was "broad enough to cover all of the species disclosed by both parties, in order to completely settle the issue," and he stressed the importance of resolving all the issues between the parties at one time:

> "[T]he party Woods respectfully directs attention to the fact that both parties hereto have previously sought and have been granted claims to a vegetation trimmer having line feed mechanism. It is well established that all issues subsisting between the parties should, if possible, be resolved at the same time. Accordingly, it is clearly desirable that priority as to line feed mechanisms be determined between these parties, and therefore the proposed new count is a proper subject for addition to this interference. . . ."

Tsuchiya opposed Woods' motion, arguing in part that Woods' proposed count "is to a broad concept of a feed mechanism essentially unrelated to the [cutting head] . . . which, in one form or another, has been key to the prosecution of both applications prior to this time." In reply to Tsuchiya's opposition, Woods put Tsuchiya on notice "that the party Woods intends to pursue this claim [line-feed mechanisms], or a claim comparable thereto, irrespective of whether his motion to amend is granted."

Despite the efforts of Woods, Tsuchiya succeeded in keeping line-feed mechanisms out of the interference. The

Patent Office denied Woods' motion. That decision was not appealable by Woods.

As the interference progressed, the parties became embroiled in a discovery dispute, and the Patent Office never made a finding as to whether Woods or Tsuchiya was the first to invent the cutting head of the interference count. Instead, the Patent Office awarded priority to Tsuchiya because it held that Woods had failed to comply with a discovery order. The correctness of this ruling aside,[2] the ruling's significance here is that the Patent Office, in awarding priority, did so solely on the basis of Woods' alleged failure to comply with a discovery order, not on the basis of an actual finding of fact that Tsuchiya was the first inventor of the cutting head invention. The Patent Office was empowered to make this finding had it so desired.[3]

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[2] Tsuchiya sought discovery from Woods on the subject of alleged "possible derivation", that is, whether Woods had derived the cutting head invention in interference from Tsuchiya. Woods did not oppose Tsuchiya's request for discovery. Instead, Woods voluntarily provided discovery on the derivation issue. This discovery included depositions of Woods, his attorney, and five other personnel of the assignee of the Woods application, answers to various interrogatories, and answers to various requests for documents and things. As a result of Woods' failure to object to the original scope of discovery sought by Tsuchiya (because Woods believed that he had voluntarily provided the requested discovery), the Patent Office entered judgment against Woods in a subsequent dispute about the permissible scope of discovery and the attorney-client privilege. No issue was ever raised (nor could it have been) as to alleged "derivation" of any line-feed mechanism invention.

[3] Under its Rule 287(d)(2), the Patent Office had four distinct options open to it in leveling sanctions against Woods for his failure to comply with the discovery order:

> "Any failure to comply with an order under the provisions of paragraph (c) of this section may be considered by the Board of Patent Interferences as basis for [1] applying appropriate restrictions against the party failing to comply, [2] for holding certain facts to have been established, [3] and in an appropriate case for awarding priority against him, [4] or for taking such other action as may be deemed appropriate."

As noted, the Patent Office exercised its third option, making no finding of fact against Woods pursuant to the second option.

B. Woods' Prosecution After The First Interference

After the first interference was concluded and the Woods application resumed normal *ex parte* prosecution, Woods proceeded to do precisely what he had told Tsuchiya and the Patent Office he would do when Tsuchiya had opposed Woods' earlier efforts to add a count to line-feed mechanisms: Woods prosecuted and obtained claims directed to line-feed mechanisms. While these claims were narrower than the count Woods had attempted to add to the interference—and hence patentably distinct from that count—Woods' claims fell within the broad scope of the earlier proposed interference count.[4] In due course, Woods' patent with these new claims issued.

C. The Holding Of *Res Judicata* Against Woods in the Second Interference

After Woods' patent issued, Tsuchiya (whose own patent had been allowed and was about to issue with essentially the same claims Tsuchiya had in his application when it was filed five years earlier) copied various Woods' claims directed to line-feed mechanisms and provoked the second interference on eight of those claims. In ruling for Tsuchiya in the second interference, both the Patent Office Board of Interferences and the majority in the Court of Appeals held that Woods was estopped by his loss in the first interference from showing that he was the first inventor of the eight interference counts. This holding was based on the apparent ground, never clearly

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[4] The proposed interference count had recited a structural limitation that the line-feed means "be secured against rotation" with the cutting head. While this limitation is not expressly stated in Woods' later claims now in interference, the limitation is inherent in those claims because all of them are broadly directed to feed "means" to perform certain functions, without recital of any structural limitations. It is a matter of statute that such "means" claims are limited in their scope to the corresponding structure described in the patent disclosure and equivalents thereof. 35 U.S.C. § 112 (last paragraph). All line-feed mechanisms disclosed in the Woods patent and the Tsuchiya application are "secured against rotation" with the cutting head.

articulated, that Woods could have, and should have, added to the first (cutting head) interference the (line-feed mechanism) counts of the second interference.

Furthermore, the majority in the Court of Appeals ruled that Woods was not as senior party entitled to an exemption from estoppel set forth in Patent Office Rule 257(b), which applies where a prior interference has been terminated "by an award of priority based solely on ancillary matters." Instead, they asserted that the termination of the first interference because of a holding that Woods had failed to comply with a discovery order was an award of priority on the merits, not on an "ancillary matter." The majority was decidedly unsure of itself in making this ruling, acknowledging the following (A 16-17):

> "[T]here is, as yet, no reliable, *a priori* method of determining whether or not a given issue is ancillary to priority.
>
> * * *
>
> In a word, the precise meaning of the phrase 'ancillary matters' in the context of § 1.257(b) is not clear."

Judge Miller strenuously dissented from the majority holding, concluding that Rule 257(b) was clear, that Woods was entitled to its benefit, and that the majority had distorted the Patent Office's holding in the first interference and, in effect, had improperly rewritten Rule 257(b) (A 20-23).

REASONS FOR GRANTING THE WRIT

I. Woods Was Deprived Of His Patent Rights Without Due Process Of Law

The Fifth Amendment to the United States Constitution provides that "[n]o person shall . . . be deprived of life, liberty or property without due process of law." The due process requirement that one not be deprived of his day in court limits the principle of estoppel by *res judicata*. In the patent context,

this Court has held specifically that a patent owner cannot be deprived of his patent rights by an estoppel based on a prior holding against him unless he had been accorded due process in the prior proceeding, that is, had been afforded a full and fair opportunity to be heard on that issue. *Blonder-Tongue* v. *University Foundation,* 402 U.S. 313 (1971).

The principle that there should be a full and fair opportunity to be heard on a particular issue in a prior proceeding before any estoppel based on that issue could be later imposed to deprive a person of his life, liberty or property, has been violated in this case.

Woods' patent rights in the vegetation cutter line-feed mechanisms of the interference counts in the second interference were taken from him and given to Tsuchiya on the basis of the first interference proceeding. But Woods had no opportunity in that earlier proceeding to litigate his entitlement to such patent rights. The sole count in the first interference was not directed to line-feed mechanisms, and when Woods attempted to add a count covering line-feed mechanisms, he was opposed by Tsuchiya and rebuffed by the Patent Office, notwithstanding his clear warning that he intended to obtain claims to line-feed mechanisms if Tsuchiya succeeded in having that subject matter excluded from the interference proceeding. That opposition and rebuff effectively foreclosed from the first interference other line-feed mechanism claims, as well as the one proferred by Woods.

In the present interference, the Patent Office Board of Interferences and the majority in the Court of Appeals ignored this. Both simply noted that the line-feed counts in the second interference were conceded by Woods to be patentably distinct from the line-feed count Woods sought to add in the first interference, and ruled that Woods could have, and should have, added the eight counts to the first interference, holding that his failure to do so now estops him.

Furthermore, the majority in the Court of Appeals ignored Rule 231(a)(2) (cited at page 5, *supra*) and the fact that Woods has steadfastly maintained throughout this proceeding that Tsuchiya's application does not support the counts in this second interference. Had Woods attempted to add these counts to the first interference, he would have had to adhere to Rule 231(a)(2) and affirmatively assert that Tsuchiya *could* make the counts—precisely the opposite of what he actually believed and a probable waiver of his position that Tsuchiya could not make the counts.[5]

In short, Woods fully complied with the law as written. He attempted in the first interference to add a broad count to line-feed mechanisms that he thought Tsuchiya could make. As he saw things, Rule 231(a)(2), as well as Tsuchiya's opposition to bringing line-feed mechanisms into the interference and the Patent Office's rejection of Woods' attempt to do so, stood in the way of his going further by seeking—then or later—also to add counts such as those now in the second interference. That being so, Woods should not have been estopped from asserting a right to those counts in the second interference. A party should not be estopped from making a claim in a second proceeding if a barrier existed against full presentation of the claim in a prior proceeding. Restatement, Second, *Judgments* § 26(c) and Comment at 236-38 (1982); and see *Davis & Cox* v. *Summa Corp.*, 751 F.2d 1507, 1517-18 (9 Cir. 1985). Nor should Woods be estopped by a retroactive requirement that he was legally obligated to add to the first interference counts that he did not in good faith believe Tsuchiya could make. Notice and an opportunity to be heard are indispensable elements of due process. *Mullane* v. *Central Hanover Tr. Co.*, 339 U.S. 306, 313-14 (1950). These elements were conspicuously absent here.[6]

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[5] Although Woods lost below on this argument against these eight counts, the argument prevailed against other line-feed mechanism counts which Tsuchiya unsuccessfully sought to add to this interference.

[6] If anyone should be faulted for failing to add any line-feed counts to the earlier interference, it is Tsuchiya. He was well aware

The holdings below have deprived Woods of his patent rights without due process of law. They provide a precedent with ominous implications for possible future deprivations, without due process, of life and liberty, as well as property. On these grounds alone, review on writ of certiorari should be granted.

II. Woods Was Deprived Of His Patent Rights By Improper Judicial Rulemaking

Rule 257(b) of the Patent Office states that a senior party to a second interference (as was Woods in both interferences[7]) "shall not be deprived of any claim to . . . subject matter solely on the ground that such claim was not added to the [earlier] interference by amendment" if the earlier interference was terminated "by an award of priority based solely on ancillary matters." The majority in the Court of Appeals refused to grant Woods the benefit of this provision—and accordingly found that he was estopped from claiming the eight interference counts—on the ground that the Patent Office's grant of priority to Tsuchiya in the first interference, because of Woods' failure fully to comply with a discovery order, amounted to an award of priority on the merits, not an award of priority based on an ancillary matter.

As the dissent by Judge Miller pointed out (A 20-23), this was in effect an improper judicial revision of Rule 257(b), resorted to in order to satisfy a misguided view that Woods' failure to comply with the discovery order in the first interference was so heinous that he should, at all costs, be punished

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that Woods disclosed and intended to claim that subject matter. Woods told him so. And Woods also sought to add a broad count directed to line-feed mechanisms. But Tsuchiya opposed that count and failed to do anything himself to introduce line-feed subject matter into the first interference.

[7] As noted *supra*, p. 9, the senior party in an interference is typically the party whose application was filed first, as was the case with Woods.

not only with loss of the claimed subject matter there in issue but also with loss of claims to the quite different subject matter in the second interference. This undue rush to punish, overriding fairness to Woods and due process, is reflected in the Board of Interferences opinion (written by an examiner who participated in the holding against Woods in the first interference) which, contrary to the facts surrounding Woods' unsuccessful attempt, opposed by Tsuchiya, to add line-feed subject matter to the first interference, charges Woods with "unduly harassing" Tsuchiya by later obtaining claims to such subject matter (A 38), as he said he would. So also, the majority opinion in the Court of Appeals precludes Woods from claims representing a "second bite of the apple" (A 19), blinking the fact that Woods in the first interference was kept from having any "first bite".

The relevant authorities Judge Miller cited confirm that the Patent Office award of priority in this case *was* based solely on an ancillary matter rather than on the merits of priority. The Patent Office made this clear by declining in the first interference to hold "certain facts [on priority] to have been established" under Rule 287(d)(2), specifically basing its award instead solely on Woods' failure to provide discovery. Judge Miller wrote (A 20 at n.1):

> "I am no apologist for a litigant who seeks to defeat discovery; nor do I approve of relitigation of questions that should have been decided earlier. However, the way to deal with such matters is for the Patent and Trademark Office to change the regulations—rather than for this court, in effect, to do so."

Faced with the plain meaning of Rule 257(b), and the clear significance of the absence of any finding of fact against Woods under Rule 287(d)(2) in the first interference, the majority opinion of the Court of Appeals—in effect questioning the wisdom of Rule 257(b) as it stood (compare *INS* v. *Chadha*, 462 U.S. 919, 944 (1983))—transparently sought to squeeze its holding against Woods into the guise of interpreting

that Rule[8] and to remold the holding in the first interference into an "implicit . . . assumption" under Rule 287(d)(2) that certain facts on the issues of originality and derivation "have been established" (A 18 at n. 14).[9] But Judge Miller readily saw through this, and we believe this Court will as well.

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[8] The majority opinion stated: "[T]here is, as yet, no reliable, *a priori* method of determining whether or not a given issue is ancillary to priority . . . . In a word, the precise meaning of the phrase 'ancillary matters' in the context of § 1.257(b) is not clear" (A 16-17). It further stated that "we know of no case law which defines the phrase 'ancillary matters' in the context of 1.257(b)" (A 17 at n. 13). The opinion nevertheless then went on to apply its "interpretation", not prospectively, but retroactively to deprive Woods of patent rights, even in effect chastising him for failing to recognize during his *ex parte* prosecution following the first interference that the holding against him had not been solely on an ancillary matter.

[9] There was no hearing on the merits in the first interference on any issue of derivation of the cutting head subject matter and there was no charge (nor can there properly be) by Tsuchiya that Woods derived his line feed mechanism from any disclosure or activity of Tsuchiya.

CONCLUSION

For the reasons set forth in this petition, a writ of certiorari should issue in this case.

Respectfully submitted,

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Court of Appeals Opinion Filed February 15, 1985

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

DONALD M. WOODS, *Appellant,* v. **WILLIAM S. TSUCHIYA,** *Appellee.*	**Appeal No. 84-871.** **Interference No. 100,928.**

DECIDED: February 15, 1985

Before DAVIS, BENNETT, and MILLER, *Circuit Judges.*

PER CURIAM.

This appeal is from the decision of the United States Patent and Trademark Office ("PTO") Board of Interferences ("Board")[1] awarding priority of invention of the counts in issue to the junior party, William S. Tsuchiya ("Tsuchiya"), on the basis that the senior party, Donald M. Woods ("Woods"), was estopped from claiming the subject matter of the counts. We affirm.

BACKGROUND

1. Subject Matter of the Counts

The invention relates to an apparatus for grass trimming, having a flexible filament of plastic, which is rotated in a cutting plane at high speed so that grass is cut upon impact with the

[1] Reported at 220 USPQ 984.

filament. There are eight counts in issue of which the following three (copied from U.S. Patent No. 4,211,004—"Woods patent," claims 11, 25 and 29, respectively) are representative:

1. In an apparatus for cutting vegetation including a head member having an axis of rotation perpendicular to a cutting plane and further having an aperture adjacent its perimeter, driving means for rotating said head member about said axis, a flexible non-metallic line member in an uncoiled portion disposed at least partially within said head member and extending from said aperture into the cutting plane, the improvement comprising:

(a) storage spool means carrying a coiled portion of said line member and interconnected with the uncoiled portion of said line member disposed in said head member, said storage spool means mounted for rotation relatively to said head member; and

(b) actuator means controlling rotation of said storage spool means to uncoil selectively a portion of said line member and extend said line member from said aperture by a predetermined increment into the cutting plane during rotation of said head member.

2. An apparatus for cutting vegetation and the like, comprising:

(a) a head member having an axis of rotation perpendicular to a cutting plane and further having an aperture adjacent its perimeter,

(b) driving means for rotating said head member about said axis,

(c) a flexible non-metallic line member disposed at least partially within said head member, and

(d) feed means to uncoil selectively a portion of said line member during rotation of said head member and for

dispensing said line member from said aperture into said cutting plane during the cutting of vegetation.

6. Apparatus for cutting vegetation and the like, comprising:

(a) a rotatable head member having a tubular member extending therethrough between a first point at its periphery and a second point adjacent one end of the axis of said head member;

(b) driving means having a hollow rotatable shaft member fixedly interconnected with said tubular member at said point along said axis thereof;

(c) a flexible non-metallic line member having a coiled portion positioned independently of said rotation of said head member and an unwound portion extending through said hollow shaft member and said tubular member to said periphery of said head member to provide a free-traveling cutting end arcuately movable in a cutting plane defined by said rotatable head member; and

(d) feed means for selectively unwinding additional predetermined incremental lengths of said line member for extension from said periphery of said head member during rotation thereof and for anchoring said line member against being drawn from said head member during the cutting of vegetation.

2. Proceedings Below

On October 22, 1975, Woods filed patent application No. 624,928 ("Woods application") drawn to a string-type weed cutter with a mechanical line feed. Tsuchiya filed patent application No. 632,972 ("Tsuchiya application"), which is drawn to a flexible line cutting apparatus, on November 18, 1975. On February 3, 1977, Interference No. 99,553 ("first interference") was declared between the Woods and Tsuchiya applications. There was only one count, which did not require a

feed means to replace line broken during operation. The count reads as follows:

> Apparatus for cutting vegetation and the like comprising: a member rotatable about an axis normal to a cutting plane; means forming a continuous passageway in said member extending from a first opening intersected by said axis to a radially spaced second, tubular opening intersected by said cutting plane; flexible line means extending through said passageway and including a first end portion extending outwardly from said first opening and secured externally of said member against rotation with said member, and a second, free travelling end portion extending outwardly from said second, tubular opening, said line means being confined within said tubular opening and free to rotate about its own axis of elongation within said passageway as said member is rotated.

During the first interference, Woods motioned to substitute or add an additional count which recited a mechanical line feeding means as follows:

> An apparatus for cutting vegetation and the like comprising:
>
> a head member having an axis of rotation perpendicular to a cutting plane and further having an aperture adjacent its perimeter,
>
> driving means for rotating said head member about said axis,
>
> a flexible non-metallic line member disposed at least partially within said head member, and
>
> feed means secured against rotation with said head member for dispensing a portion of said line member from said aperture into said cutting plane.

Woods' motion was opposed by Tsuchiya and was denied by the primary examiner. It is undisputed by Woods and Tsuchiya that this additional count and the original count of the first interference are patentably distinct from each other and from the counts of the present interference.

On July 18, 1978, the Board, pursuant to 37 C.F.R. § 1.287(d)(2), awarded priority on the subject matter in issue to Tsuchiya, because Woods failed to comply with a discovery order issued by the Board which required that "the junior party Tsuchiya be given the opportunity to explore the circumstances concerning the question of *derivation* of the subject matter of the count in issue from him by Woods." (Emphasis added.) Woods petitioned the Commissioner of Patents and Trademarks ("Commissioner") for review of the Board's decision, but the petition was denied on February 7, 1979,[2] and no appeal was taken.

As a result of the Board's decision, Woods canceled the claim corresponding to the count in the first interference and resumed *ex parte* prosecution of the remaining claims, which he amended to recite feed means for replacing broken line. Woods argued that these claims were patentably distinct from the count he lost in the first interference, because the count did not require a line feeding mechanism. Apparently persuaded by this argument, the primary examiner allowed the claims of the Woods application to issue in U.S. Patent No. 4,211,004 on July 8, 1980.

After the Woods patent issued and came to Tsuchiya's attention, Tsuchiya withdrew his application from issue and filed a continuation application to copy claims 11-12, 14-17, 19-20, and 22-29 of the Woods patent, which Tsuchiya believed were directed to common subject matter. The primary examiner held that claims 11 and 25-29 were supported by the Tsuchiya application, and Interference No. 100,928 ("present interference"), was declared on August 30, 1982, with these six claims as counts.

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[2] Reported at 207 USPQ 228.

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On September 21, 1982, Tsuchiya filed a motion for judgment against Woods on the grounds of res judicata and estoppel, which Woods opposed. Consideration of Tsuchiya's motion was deferred by the interference examiner until after the close of the motions period. During the motions period, Tsuchiya renewed his motion for judgment and sought to add nine proposed counts, which corresponded to claims 12, 14-17, 19-20, and 22-24 of the Woods patent. Woods then filed motions to dissolve the present interference on the grounds that the Tsuchiya application did not support the counts in issue and Tsuchiya was estopped by his failure to move to amend (to add the subject counts to the first interference). On the latter ground, Woods also sought judgment against Tsuchiya. On June 13, 1983, the primary examiner denied Woods' motions to dissolve and granted Tsuchiya's motion to add counts corresponding to claims 14 and 15 of the Woods patent. Tsuchiya petitioned the Commissioner to add the other seven proposed counts, while Woods petitioned the Commissioner to reverse the primary examiner's denial of Woods' motion to dissolve on the ground of estoppel. The Commissioner denied both of these petitions, but remanded Woods' and Tsuchiya's motions for judgment to the Board.

After oral argument on November 15, 1983, on Tsuchiya's and Woods' motions for judgment on the ground of estoppel, Tsuchiya's motion to add the other seven proposed counts, and Woods' motion to dissolve the present interference for lack of support in the Tsuchiya application, the Board issued a decision on December 19, 1983. It denied Tsuchiya's request to review the primary examiner's decision denying the addition of the seven other proposed counts, because Board jurisdiction is limited to the counts before it. As to Tsuchiya's right to make the counts, the Board held that his application supported claims corresponding to the counts, and, therefore, Woods' motion to dissolve the present interference on this ground was denied. In reaching this conclusion, the Board held that the actuator or feed means limitations in the counts did not exclude some uncoiling of cutting line. Woods' motion for judgment on the

ground of estoppel for failure to amend was also denied, becuase the effect of interference estoppel falls on the losing party, and in the first interference, Tsuchiya was the winning party. The Board did, however, grant Tsuchiya's motion for judgment on the ground of estoppel, because it found there was a judgment in the first interference which was conclusive of all matters which were adjudicated and all matters which might have been adjudicated. The Board's award of priority in the first interference due to Woods' failure to comply with a discovery order was deemed to be "akin to a dismissal *with* prejudice" (emphasis in original), and therefore, not within the estoppel doctrine's exception set forth in 37 C.F.R. § 1.257(b). Accordingly, priority of invention of the subject matter in issue was awarded to Tsuchiya.

OPINION

1. Tsuchiya's Right to Make

As the party copying claims, Tsuchiya had the burden of proof on the right to make the counts which had to be met before an interference could properly be declared. *See Holmes v. Kelly,* 586 F.2d 234, 236, 199 USPQ 778, 781 (CCPA 1978). This burden was by clear and convincing evidence. *See Snitzer v. Etzel,* 531 F.2d 1062, 1065, 189 USPQ 415, 417 (CCPA 1976). Although the burden of going forward could have been (and was) shifted to Woods, the burden of persuasion remained at all times on Tsuchiya. *Holmes v. Kelly,* 586 F.2d at 236, 199 USPQ at 781.

We are satisfied with the correctness of the Board's finding that the Tsuchiya application supports the limitations of the counts. The dispute over this issue centers on whether the following feed means limitations are supported by the Tsuchiya application:

> "actuator means controlling rotation of said storage spool means to uncoil selectively a portion of said line member" of count 1;

"feed means to uncoil selectively a portion of said line member during rotation of said head member" of count 2; and

"feed means for selectively unwinding additional predetermined incremental lengths of said line member" of count 6.

The Tsuchiya application discloses a flexible line cutting apparatus, as shown in Figure 2 below, having a flexible cutting line 80 extending from cutting head 4, which is rotated by hollow shaft 28 connected to an electric motor (not shown). A supply of flexible cutting line is coiled on spool 78, which the shaft and cutting head fix to housing 2 to prevent spool rotation.

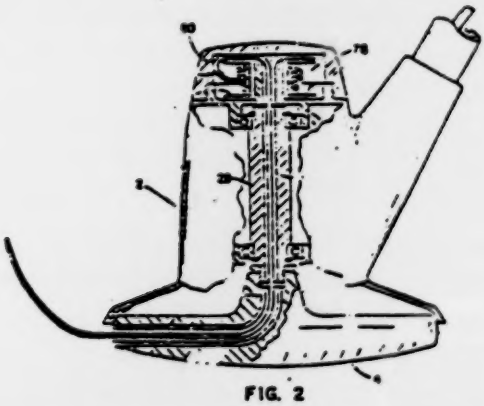


FIG. 2

In another embodiment of the Tsuchiya application, as illustrated in Figures 8 and 9[3] below, means are provided for unrolling additional cutting line 80 from rotatable spool 168 to

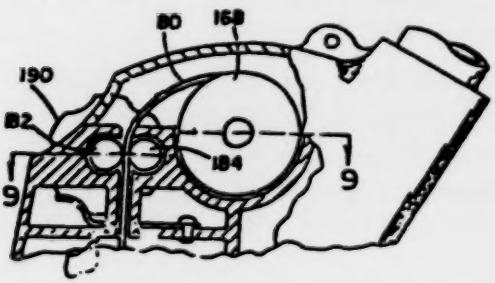


FIG. 8

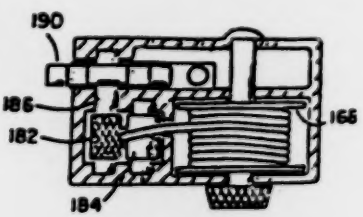


FIG. 9

[3] Figure 9 is a sectional view taken generally along line 9-9 of Figure 8.

supply new cutting line to cutting head 4. When more cutting line is needed, wheel 190 is turned manually, causing shaft 186 and knurled pinch roller 182 to rotate so that the line between pinch rollers 182 and 184 is gripped and fed downwardly. Thus, wheel 190 and pinch rollers 182 and 184 constitute means to control rotation of spool 168, whereby cutting line is selectively uncoiled, in accordance with the counts. Accordingly, Tsuchiya's initial burden of going forward with evidence on its right to make the counts was satisfied.

In attempting to rebut Tsuchiya's *prima facie* showing of his right to make the counts, Woods argues that if the claims corresponding to the counts were construed in light of the Woods patent specification, the Tsuchiya application would not have the supporting disclosure required to make the counts. Specifically, Woods argues that the feed means limitations in the claims of the Woods patent should be construed to require a mechanism preventing spool rotation when cutting line is not being uncoiled. In the weed cutter of the Woods patent, shown in Figure 3 below, nonmetallic cutting line 16 extends from rotatable circular member 24, which is rotated by shaft 33 of

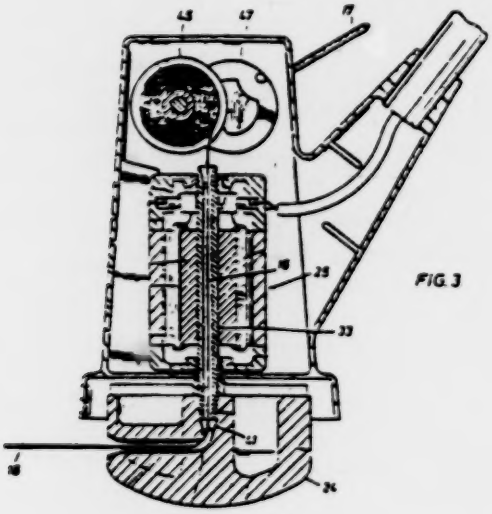
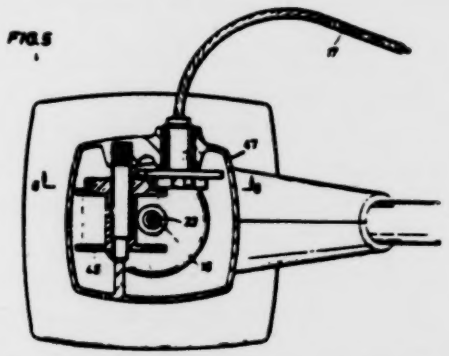
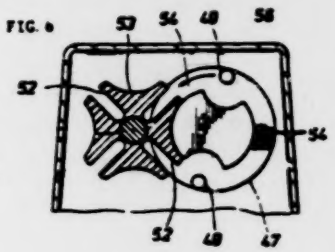


FIG. 3

electric motor 25. Additional amounts of cutting line are fed from storage spool 45 when actuator 47, which is controlled by flexible cable 17, causes the spool to rotate. In Figure 5 below, the rotation of flexible cable 17 causes the circular actuator 47 to turn, which rotates spool 45. The operator manually rotates cable 17 by turning a gripping member attached to the handle of the weed cutter (not shown).



When actuator 47 is rotated, pin 49 enters slot 52, as shown in Figure 6 below,[4] causing spool 45 to turn until the pin exits the slot. Convex surface 54 mates and slidably engages with concave surface 53, whereby rotation of actuator 47 will not cause spool 45 to rotate unless and until pin 49 enters slot 52. So long as actuator 47 remains in a fixed position, spool 45 (of Figure 5) will not rotate, and it is this spool rotation control feature that Woods contends should be read into the feed means limitations of the claims corresponding to the counts.



[4] Figure 6 is apparently a cross-sectional view taken along line 6-6 of Figure 5.

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It is well settled that counts should be given their broadest interpretation and that only when there is ambiguity can resort be had to the specification.[5] *Reese v. Hurst,* 661 F.2d 1222, 1236, 211 USPQ 936, 949-50 (CCPA 1981); *In re Baxter,* 656 F.2d 679, 686, 210 USPQ 795, 802 (CCPA 1981). Woods disingenuously admits that the claims corresponding to the counts are not ambiguous, but urges that recourse to the specification of the Woods patent is appropriate "in view of the various meanings attached to these claims by the parties" and the PTO, citing *Sockman v. Switzer,* 379 F.2d 996, 154 USPQ 105 (CCPA 1967). However, in that case the court did not create an additional exception to the general rule against resorting to the specification, but, rather, dealt with a situation where the claims *were ambiguous.* (The limitation "relatively non-volatile liquid . . . consisting essentially of an oxygen-containing organic liquid" could be construed as a liquid compound containing oxygen as part of its chemical structure or a solid oxygen-containing compound included in the organic liquid. *Id.* at 1000, 154 USPQ at 108-09.) In such a situation, where consideration of both the wording of the count and the arguments of the parties demonstrate that the count has different meanings, it is appropriate to resort to the specification. *Fontijn v. Okamoto,* 518 F.2d 610, 618, 186 USPQ 97, 103 (CCPA 1975). The arguments of parties with respect to the meaning of a count limitation, in and of themselves, do not create an ambiguity where none exists.

After reviewing the language of the counts, we agree with Woods that the counts are unambiguous. The feed means

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[5] Counts in interference are given a broad interpretation, because when an applicant selects language which is somewhat broad in scope, he takes the risk that others with specifically different structures may be able to meet the language selected; he will not be permitted to later urge that the selected language should only be read in light of his disclosure merely because the language originated with him. *Hemstreet v. Rohland,* 433 F.2d 1403, 1406, 167 USPQ 761, 763 (CCPA 1970) (pertinent portion of counts in issue involved means plus function limitations); *Wirkler v. Perkins,* 245 F.2d 502, 505, 114 USPQ 284, 287 (CCPA 1957).

limitations of the counts only require, at most, a mechanism to control spool rotation for selectively uncoiling cutting line; the counts are open to the inclusion or exclusion of means to prevent spool rotation when line feeding is not occurring. Although Woods and Tsuchiya, respectively, argue for and against construing the counts to require spool rotation prevention, in the absence of an ambiguity, the counts cannot be given the narrow construction sought by Woods to rebut Tsuchiya's *prima facie* showing of its right to make.

Woods further argues that even if the Tsuchiya application supports the claims corresponding to the counts, Tsuchiya is estopped from copying these claims and, therefore, cannot satisfy his burden of proof on the right to make. 2 C. Rivise & A. Caesar, *Interference Law and Practice* § 240 (1943) [hereinafter cited as Rivise & Caesar]. Specifically, Woods contends that Tsuchiya had the burden of adding counts to any additional, patentably distinct subject matter during the first interference, and, having failed to meet this burden, he is estopped from contesting claims corresponding to those counts.

The following types of "interference estoppel" may be raised in interference proceedings: estoppel by dissolution, estoppel by judgment, equitable estoppel, and estoppel for failure to file a motion.[6] 2 Rivise & Caesar § 242. *Estoppel by dissolution* prevents a junior party who had access to the senior party's application from obtaining claims to common patentable subject matter after an interference is dissolved. 2 Rivise & Caesar § 243; *see also Meitzner v. Mindick*, 549 F.2d 775, 193 USPQ 17 (CCPA), *cert. denied*, 434 U.S. 854 (1977). *Estoppel by judgment* prevents a losing party in a previous interference between the same parties from making any claim (1) not patentably distinct from the counts in issue in that interference, or (2) which reads on the disclosure of the winning party to which the losing party had access. 2 Rivise & Caesar § 244; *see also In re Risse*, 378 F.2d 948, 154 USPQ 1 (CCPA 1967). *Equitable estoppel* prevents the winning party in a previous

[6] These types of estoppel are discussed in depth in R. G. Richardson, *Estoppels Arising out of Interference Proceedings in the Patent Office*, 21 J. Pat. Off. Soc'y 411 (1939) [hereinafter cited as Richardson].

interference terminated by judgment (or the senior party in an interference which ends in dissolution) from claiming patentably distinct subject matter to which the other party did not have access.[7] 2 Rivise & Caesar § 245; *see also In re Allsop*, 26 F.2d 559 (D.C. Cir. 1928). *Estoppel for failure to file a motion to amend* would prevent a party who fails to file a timely interlocutory motion to amend from later claiming subject matter which could have been added by such a motion.[8] 2 Rivise & Caesar § 246.

We are satisfied that none of the types of interference estoppel precludes Tsuchiya from satisfying his burden of proof as the copier of claims. Priority in the first interference was awarded to the junior party, Tsuchiya, by judgment, so neither estoppel by judgment nor estoppel by dissolution can be properly raised against Tsuchiya. Also, Woods cannot use equitable estoppel against Tsuchiya, because he *had access* to the Tsuchiya application, which supports the copied claims, during the first interference. As previously noted,[9] it has been questioned whether failure to file a motion to amend is an independent ground for estoppel. Although *Avery v. Chase* and *In re Shimer* provide exceptions, we note that they did not

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[7] In view of our conclusion, *infra*, that equitable estoppel does not apply to the facts of this case, we do not address the Board's suggestion (footnote 9 of its opinion) that equitable estoppel no not longer viable.

[8] It appears that, with the exception of *Avery v. Chase*, 101 F.2d 205, 40 USPQ 343 (CCPA 1939), interference estoppel has been imposed only where an interference was terminated by judgment or by dissolution. *In re Baxter*, 656 F.2d at 685 n.16, 210 USPQ at 801-02 n.16 (estoppel is premature without a prior, final determination concerning the subject matter of the interference). Accordingly, it has been questioned whether estoppel for failure to file a motion to amend is (with the exception of *Avery v. Chase*) a ground of estoppel independent of estoppel by judgment, estoppel by dissolution, or equitable estoppel. Richardson at 424, 428. *But see In re Shimer*, 69 F.2d 556, 21 USPQ 161 (CCPA 1934) (losing party in 5-party interference estopped during subsequent *ex parte* proceedings from adding counts which read on the disclosure of another losing party, but not on that of the winning party, for failure to file a timely motion to amend).

[9] *See* note 8 *supra*.

involve a situation where the winning party in a previous interference (like Tsuchiya here) was estopped.[10]

The cases relied upon by Woods to show that Tsuchiya is estopped are all distinguishable from the instant facts. In *Ex parte Miller,* 124 USPQ 419 (Bd. App. 1959), appellant and Behrens, who was senior to appellant, were involved in two multi-party interferences, which were dissolved with respect to appellant and terminated adversely with respect to Behrens. When appellant later sought claims which were readable upon Behrens' disclosure, but not on the disclosures of the other parties involved in the interferences, the Board held that Miller was estopped. Accordingly, *Ex parte Miller* is a case involving estoppel by dissolution, which is not apposite. In *In re Hoover Co.,* 134 F.2d 624, 57 USPQ 111 (CCPA 1943), the junior party was awarded priority in an interference proceeding, because the senior party could not make the counts. When the junior party subsequently tried to obtain claims to subject matter common to the applications previously in interference, the court held the junior party was estopped, because he was not the prevailing party in the previous interference, which was in effect terminated by dissolution. Accordingly, *In re Hoover Co.* also involves estoppel by dissolution. In *In re Allsop,* Allsop won an interference with Buckley, who then obtained a patent with claims not supported by Allsop's patent in interference. When Allsop tried to copy claims of Buckley's patent in a second application pending prior to the declaration of the interference, the court held Allsop estopped. As related earlier, *In re Allsop,* unlike the present case, involved equitable estoppel.

In view of the foregoing, we conclude that Woods has not rebutted Tsuchiya's evidence on the right to make. Therefore, we hold that Tsuchiya has met his burden of proof on this issue.

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[10] Woods' motion to add an additional count in the previous interference and Tsuchiya's opposition cannot estop Tsuchiya or prevent Woods from being estopped, because that count is patentably distinct from those in the present interference. *See Stoudt v. Guggenheim,* 651 F.2d 760, 764, 210 USPQ 359, 363 (CCPA 1981).

2. Estoppel Against Woods[11]

In the first interference, Tsuchiya moved for additional discovery under 37 C.F.R. § 1.287(c) alleging that "Woods derived the invention defined by the count from him [Tsuchiya]." Tsuchiya requested, *inter alia*, (1) the production of documents relating in any way to Tsuchiya's disclosure to Woods, and (2) evidence relating to Woods' development of the invention defined by the count. In a "LETTER TO INTERFERENCE EXAMINER," Woods stated that he neither objected to any of Tsuchiya's requests nor opposed granting the requested discovery under Rule 287(c). Accordingly, an order issued granting the motion *in toto*.

Subsequently, Tsuchiya filed a motion for sanctions, stating that Woods had failed to comply with the Board's discovery order. The Board found that Woods' explanation of his failure to comply did not constitute "good and sufficient reasons." Accordingly, Tsuchiya was awarded priority of invention of the subject matter in issue pursuant to 37 C.F.R. § 1.287(d)(2) "for failure to comply with an order under the provisions of (1.287(c))." Woods did not seek judicial review of the discovery order, but elected to prosecute his application *ex parte* and to obtain claims which read upon Tsuchiya's application.

In the second interference, Tsuchiya moved for a judgment based on estoppel, contending that he was awarded priority on the merits in the prior proceeding. The Board granted the motion. Woods argued before the Board, and again before this panel, that the present case falls under the exception to the estoppel-by-judgment doctrine set forth in 37 C.F.R. § 1.257(b).

Under 37 C.F.R. § 1.257(a), the general rule is:

> The parties to an interference will be presumed to have made their inventions in the chronological order of

[11] Because of their importance, we start by stating the facts which relate to estoppel.

> the filing dates of their applications for patents involved in the interference or the effective filing dates which such applications have been accorded; and the burden of proof will rest upon the party who shall seek to establish a different state of facts.

Despite this presumption, Woods' loss in the first interference would normally preclude him from prevailing in the present interference in view of the previously-discussed doctrine of estoppel by judgment. However, the effect of estoppel by judgment, as correctly pointed out by Woods, is limited by 37 C.F.R. § 1.257(b), which provides:

> The termination of the interference by dissolution under § 1.231 or § 1.237, without an award of priority, or *by an award of priority based solely upon ancillary matters,* shall not disturb this presumption, and a party under these circumstances enjoying the status of a senior party with respect to any subject matter of his application shall not be deprived of any claim to such subject matter solely on the ground that such claim was not added to the interference by amendment under § 1.231. [Emphasis added.]

Under 35 U.S.C. § 135(a), the Board has jurisdiction to decide questions of priority of invention. The Board also has jurisdiction over questions which are "ancillary to priority." *Myers v. Feigelman,* 455 F.2d 596, 172 USPQ 580 (CCPA 1972). An issue may be so "logically related" to priority that an award of priority cannot be decided without first resolving that issue, which is then consequently described as "ancillary." *Id.* This "may require rulings on matters not *per se priority questions.*" *Bloom v. Furczyk,* 144 USPQ 678, 687 (Bd. Pt. Int. 1955) (emphasis added). As one author has pointed out, however, there is, as yet, no reliable, *a priori* method of determining whether or not a given issue is ancillary to priority. Sughrue, *Interference Practice,* Patent Resources Group, Inc., p. 5-6 (1981). Appellant argues that the award of priority in the first interference was solely a dispute as to the "scope of discovery," not on the merits, and therefore an award on ancillary matters. We disagree.

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In *Morris v. Tegtmeyer,* 655 F.2d 216, 210 USPQ 693 (CCPA 1981), our predecessor court stated that a decision deferring consideration of a "motion to suppress" until the final hearing is simply a question of timing, not of admissibility, and is therefore *not* ancillary to priority.[12] "Th[is] case may justify an inference that a procedural matter is not ancillary to priority while a substantive matter may be." Klitzman, *Patent Interference Law and Practice,* p.74 (1984). Accordingly, a procedural matter which relates to the scope of discovery, when it is not known whether the requested discovery will actually lead to "legally relevant" and "admissible" evidence, is not necessarily ancillary to priority. *Cf. Goodbar v. Banner,* 599 F.2d 431, 202 USPQ 106 (CCPA), *cert. denied,* 444 U.S. 927 (1979). "The happenstance that the ordered discovery *might* result in evidence bearing upon or even establishing priority does not make this issue ancillary to priority." *Id.* at 435 (emphasis in original). In a word, the precise meaning of the phrase "ancillary matters" in the context of § 1.257(b) is not clear.[13]

In the present case, Woods chose not to appeal the Board's order which imposed sanctions under 37 C.F.R. § 1.287(d)(2). This rule states:

> Any failure to comply with an order under the provisions of paragraph (c) of this section may be considered by the Board of Patent Interferences as basis for applying appropriate restrictions against the party failing to comply, *for holding certain facts to have been established,* and in

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[12] *Compare Morris v. Diamond,* 634 F.2d 1347, 208 USPQ 202 (CCPA 1980) (an earlier decision in the same interference as *Morris v. Tegtmeyer,* holding that the admissibility of testimony relevant to a determination of priority is ancillary).

[13] Appellant argues that the definition of "ancillary matters" in 1.257(b) is not the same as the jurisdictionally minded "ancillary to priority." In light of our holding today, we need not address this contention. But it is helpful to note that we know of no caselaw which defines the phrase "ancillary matters" in the context of 1.257(b).

> appropriate case for awarding priority against him, or for taking such other action as may be deemed appropriate. (Emphasis added.)

This section is intended to provide for sanctions by the Board where there has been noncompliance with one of its orders. 36 Fed. Reg. 8733 (1971). Under the wording of the regulation, the Board could, in its discretion, hold "certain facts to have been established." In the instant case, the discovery order related to evidence bearing directly on the heart of the first interference—originality and derivation. Woods' refusal was the exact equivalent of a refusal to produce evidence going to the very issue of whether he had the priority he claimed. These were *per se* priority questions. *Cf. Bloom, supra.* Our predecessor court has held that a final judgement in an interference is conclusive of all matters which were adjudicated and also all matters which *might have been* adjudicated. *Stoudt v. Guggenheim,* 651 F.2d 760, 764, 210 USPQ 359, 363 (CCPA 1981). Accordingly, we can and should view these *per se* priority "facts to have been established" in favor of Tsuchiya.[14]

Woods did not comply with the order, nor did he seek judicial review of the Board's ultimate order. As the Board properly indicated, it is in the public interest as well as consistent with the Rules of Practice to stop relitigation of such questions that could and should have been decided in the earlier interference. In order to give sanctity to the Board's final judgment, Woods should not be allowed to resist dis-

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[14] In denying Woods' petition relating to the Board's denial on reconsideration of its initial award of priority to Tsuchiya, the Commissioner stated that it was not readily apparent that the sanction imposed by the Board was excessive where the issue of derivation was involved, and that "it would have been difficult to impose any meaningful lesser sanction." *Woods v. Tsuchiya,* 207 USPQ 228, 230 (Comm'r 1979). In effect, the Commissioner's underlying rationale is consistent with our own view—where the critical issues of originality and derivation are involved, then implicit in the Board's award of priority under Rule 287(d)(2) is the assumption that certain facts as to those issues "have been established."

covery, fail to appeal the Board's order, prosecute *ex parte*, force a second interference, and then have a second bite at the apple. The Rules were not designed to engender such perverse results.

Accordingly, we cannot say that the initial award of priority to Tsuchiya was based "*solely* upon *ancillary* matters" (emphasis added), but conclude, rather, that it was an award of priority on the merits consonant with the policy behind Rule 287(d)(2), *supra*.

Affirmed.

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UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

DONALD M. WOODS,
Appellant,

v.

WILLIAM S. TSUCHIYA,
Appellee.

Appeal No. 84-871.

Interference No. 100,928.

MILLER, *Circuit Judge,* dissenting.

The three members of this panel are in agreement except with respect to the second point of the opinion entitled *"Estoppel Against Woods."* On this point, the Board of Patent Interferences ("board") granted Tsuchiya's motion for judgment based on estoppel arising out of the first interference. My brothers ("the majority") would affirm; whereas, I would vacate the board's judgment and remand.

The majority has reacted to this case as though it were some strange, deep sea growth (properly termed an "interference"), which threatens the "sanctity" of a final judgment of the board against the party Woods. Allow Woods to resist discovery, fail to appeal the board's order, prosecute *ex parte,* force a second interference, and then have a second bite at the apple? No—never! Such a "perverse result" must be avoided even though 37 C.F.R. § 1.257(b) permits it.[1]

No matter that the board's opinion in the first interference gave *noncompliance with a discovery order* as the *only* stated reason for awarding priority to Tsuchiya and, indeed, refrained from *any* indication that its award of priority was on the

[1] I am no apologist for a litigant who seeks to defeat discovery; nor do I approve of relitigation of questions that should have been decided earlier. However, the way to deal with such matters is for the Patent and Trademark Office to change the regulations—rather than for this court, in effect, to do so.

merits![2]. The majority's interpretation of the "public interest" compels it to ignore the board's own words and to gratuitously conclude that the award in the first interference was "on the merits consonant with the policy behind Rule 287(d)(2)."

Now, why such concern of the majority over whether the award in the first interference was on the merits? Because that would support granting, in the present interference, estoppel by judgment in favor of Tsuchiya. But why can't the majority recognize that the award in the first interference was based "solely" on ancillary matters? It can, and it should. But 37 C.F.R. § 1.257(b) provides that where priority is based solely on ancillary matters, Woods' status as senior party would be preserved and there could be no judgment by estoppel; whereas, the majority has decided that Woods simply must be estopped! Otherwise, all is lost. Well, then, how does the majority get around the *fact* that the board's award in the first interference was based solely on an ancillary matter? The answer, curiously, is "magic." You see, 37 C.F.R. § 1.287(d)(2) provides for sanctions by the Board of Patent Interferences for failure to comply with an order. One sanction is the award of priority against the defaulting party. Another is that the failure "may be considered by the Board of Patent Interferences as basis for . . . holding certain facts to have been established." Even though, as a matter of fact, such "facts" were never established? That's what the majority says! Just call those non-facts *"per se* priority facts," and *viola!* They are established![3] And so, "robes flying,"[4] the majority gallops off to proclaim to interference practitioners that it is not what the Board of Patent Interferences says that controls, but what a

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[2] The board simply said:

> Accordingly, in view of the failure of the senior party to comply with the order of May 15, 1978, pursuant to 37 CFR 1.287(d)(2) priority of invention of the subject matter in issue is hereby awarded to William Sadayuki Tsuchiya, the junior party.

[3] " 'When *I* use a word,' Humpty Dumpty said, in rather a scornful tone, 'it means just what I choose it to mean—neither more nor less.' " L. Carroll, *Alice's Adventures in Wonderland and Through the Looking-Glass and What Alice Found There* 190 (R.L. Green ed. 1971). Also apt is Alice's comment: " 'I've often seen a cat without a grin . . . but a grin without a cat! It's the most curious thing I ever saw in all my life!' " *Id.* at 59.

[4] *Norton v. Macy,* 417 F.2d 1161, 1168 (D.C. Cir. 1969) (Tamm, J., dissenting).

majority of a panel of this court thinks the board could have said controls.

When distirct courts deem facts to have been established as a sanction under Federal Rule of Civil Procedure 37(b)(2)(A) for noncompliance with a discovery order, the facts deemed established are explicitly stated. *See General Atomic Co. v. Exxon Nuclear Co.,* 90 F.R.D. 290 (S.D. Cal. 1981); *Cromaglass Corporation v. Ferm,* 344 F. Supp. 924 (M.D. Pa. 1972), *appeal dismissed,* 500 F.2d 601 (3d Cir. 1974) (in banc); *Kahn v. Secretary of Health, Education, and Welfare,* 53 F.R.D. 241 (D. Mass. 1971).

If the alternative sanction of a default judgment under Federal Rule of Civil Procedure 37(b)(2)(C) is selected, that judgment has the effect of res judicata. 6 J. Moore, W. Taggart & J. Wicker, *Moore's Federal Practice* § 55.09 (2d ed. 1984); 1B J. Moore, J. Lucas & T. Currier, *Moore's Federal Practice* §§ .409[1.-2], .409[4] (2d ed. 1984). The effect of res judicata is that the judgment exclusively establishes only facts in issue and directly adjudicated or necessarily involved in the determination of an action. *See Gaitan v. United States,* 295 F.2d 277, 279 (10th Cir. 1961), *cert. denied,* 369 U.S. 857 (1962).

In the context of an interference, the entry of judgment as a sanction should not alone result in the assumption that certain facts were established, because 37 C.F.R. § 1.257(b), which has no counterpart in the the Federal Rules of Civil Procedure, makes the basis of a judgment of priority critical to its prospective effect. Given this criticality and the fact that the board's decision in the first interference was not explicit, this court should not assume that the basis for that decision was on the merits rather than on an ancillary matter (as noted *infra*).

Contrary to note 14 of the majority opinion, the Commissioner's opinion does not clarify the confusion regarding the basis of the board's judgment of priority in the first interference.

If all this is not persuasive, the majority has another arrow—the precise meaning of "ancillary matters" in the context of 37 C.F.R. § 1.257(b) is not clear, and there is no reliable *a priori* method of determining whether or not a given

issue is ancillary to priority! There are three significant cases bearing on interpretation of the word "ancillary" for purposes of 37 C.F.R. § 1.257(b).

In *Goodbar v. Banner,* 599 F.2d 431, 435, 202 USPQ 106, 109 (CCPA), *cert. denied,* 444 U.S. 927 (1979), the court said that where it was not known whether requested discovery would lead to legally relevant and admissible evidence, the court was of the opinion that an order for discovery was not ancillary to priority "as the case law has developed the meaning of that term." And it, added: "The happenstance that the ordered discovery *might* result in evidence bearing upon or even establishing priority does not make this issue ancillary to priority." *Id.* (Footnote omitted.)

The following year, in *Morris v. Diamond,* 634 F.2d 1347, 1350, 208 USPQ 202, 204 (CCPA 1980), the court said that the admission of testimony relevant to a determination of priority was a matter ancillary to priority and properly within the court's appellate jurisdiction.

The next year, in *Morris v. Tegtmeyer,* 655 F.2d 216, 220, 210 USPQ 693, 697 (CCPA 1981), the court pointed to its statement in *Morris v. Diamond,* 634 F.2d at 1350, 208 USPQ at 204, that "an interlocutory decision on the *admissibility* of evidence relating to priority is a matter ancillary to priority," which it defined as "a matter logically related to the outcome of a priority issue."

Thus, not only do the two most recent opinions of our predecessor court reflect a more liberal view of the meaning of "ancillary matters," but the most recent opinion sets forth a reasonably practical definition which, contrary to the majority, seems sufficiently clear to provide a workable, *a priori* guidepost for determining whether most issues, at least, are ancillary to priority. Certainly, this definition covers the discovery order sought in the first interference which, as the majority recognizes, logically related to evidence bearing on originality and derivation.

The board's judgment should be vacated and the case remanded for a determination of priority on the merits.

Board of Patent Interferences Decision, December 19, 1983

MAILED
DEC. 19, 1983

Final Hearing	BOARD OF PATENT	Paper No. 39
November 15, 1983	INTERFERENCES	MS/yrt

IN THE
UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE
BOARD OF PATENT INTERFERENCES

Patent Interference No. 100,928

Tsuchiya v. Woods

Flexible Line Cutting Apparatus

Application of William S. Tsuchiya filed November 10, 1980, Serial No. 205,300. Accorded Benefit of Serial No. 632,972 filed November 18, 1975.

Patent granted to Donald M. Woods on July 8, 1980, Patent No. 4, 211,004 filed October 22, 1975, Serial No. 624,928.

Johnson, Olds, Goar, Hayes, Welter, Sumners, Schwegman, Reiland, Ringsrud, Williams, Strawbridge, Merchant, Gould, Smith, Edell, Schmidt, Carlson, Meshbesher, Field, Golla,

Underhill, McMorrow and Trexler for Tsuchiya. Oral argument by Richard R. Trexler.

Vaden and Bedner for Woods. Oral Argument by James F. Haley, Jr.

Torchin, Examiner of Interferences. Sofocleous and McKelvey, Acting Examiners of Interferences.

Sofocleous, Acting Examiner of Interferences.

This interference involves an application of Tsuchiya, unassigned according to our records, and a patent of Woods, assigned to Weed Eater Incorporated of Houston, Texas.

The subject matter in issue is defined by 8 counts of which the following are representative:

1. In an apparatus for cutting vegetation including a head member having an axis of rotation perpendicular to a cutting plane and further having an aperture adjacent its perimeter, driving means for rotating said head member in an uncoiled portion disposed at least partially within said head member and extending from said aperture into the cutting plane, the improvement comprising:

(a) storage spool means carrying a coiled portion of said line member and interconnected with the uncoiled portion of said line member disposed in said head member, said storage spool means mounted for rotation relatively to said head member; and

(b) *actuator means controlling rotation of said storage spool means to uncoil selectively a portion of said line member* and extend said line member from

said aperture by a predetermined increment into the cutting plane during rotation of said head member. [Emphasis added.]

2. An apparatus for cutting vegetation and the like, comprising:

(a) a head member having an axis of rotation perpendicular to a cutting plane and further having an aperture adjacent its perimeter,

(b) driving means for rotating said head member about said axis,

(c) a flexible non-metallic line member disposed at least partially within said head member, and

(d) *feed means to uncoil selectively a portion of said line member during rotation of said head member* and for dispensing said line member from said aperture into said cutting plane during the cutting of vegatation. [Emphasis Added.]

6. Apparatus for cutting vegetation and the like, comprising:

(a) a rotatable head member having a tubular member extending therethrough between a first point at its periphery and a second point adjacent one end of the axis of said head member;

(b) driving means having a hollow rotatable shaft member fixedly interconnected with said tubular member at said point along said axis thereof;

(c) a flexible non-metallic line member having a coiled portion positioned independently of said rotation of said head member and an unwound portion extending through said hollow shaft member and said tubular member to said periphery of said head member to provide a free-traveling cutting end arcuately movable in a cutting plane defined by said rotatable head member; and

(d) *feed means for selectively unwinding additional predetermined incremental lengths of said line member for extension from said periphery of said head member during rotation thereof* and for anchoring said line member against being drawn from said head member during the cutting of vegetation. [Emphasis added.]

Tsuchiya's claims 13, 15, 16 and 24 to 28 and Woods' claims 11, 14, 15 and 25 to 29 correspond exactly to the counts.

General Background

This interference was declared on August 30, 1982, with counts 1 to 6. After the declaration, Tsuchiya filed, on September 15, 1982, a motion (Paper No. 2) for judgment[1]. In his order of September 21, 1982 (Paper No. 3), the Patent Interference Examiner deferred consideration of the motion until after the close of the motion period[2]. Woods timely filed an opposition (Paper No. 9) to the motion. Tsuchiya thereafter filed a reply (Paper No. 10)[3].

During the motion period (37 CFR 1.231), Tsuchiya renewed his motion for judgment and filed a motion (Paper No. 15) to add proposed counts 7 to 16. Woods filed two motions (Nos. 16 and 18) to dissolve, one on the ground of

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[1] The motion was styled: "MOTION BY TSUCHIYA: (A) FOR JUDGMENT AGAINST WOODS UPON RES JUDICATA AND ESTOPPEL (B) TO INCLUDE WOODS PATENT CLAIMS 12, 14-17, 19-20 and 22-24 WITHIN SUCH JUDGMENT; AND (C) OTHERWISE TO SUSPEND PROCEEDINGS IN THE INTERFERENCE".

[2] 37 CFR 1.231 authorizes the Patent Interference Examiner to defer this motion. *Morgan* v. *Hirsh*, 210 USPQ 303 (Comm'r. 1979).

[3] A reply to an opposition to a motion under 37 CFR 1.243 is not authorized under the rules. See the Commissioner's Notice of November 9, 1976, 953 OG 2. *Ley* v. *Issidorides*, 209 USPQ 858 (Comm'r 1979).

Accordingly, the reply is dismissed.

Tsuchiya's lack of support for the counts[4] and the other on the ground of estoppel. In his decision on motions (Paper No. 26), the Primary Examiner granted the Tsuchiya motion to add as to proposed counts 8 and 9[5], denied the motion as to proposed counts 7 and 10 to 16 and denied both of Woods' motions to dissolve.

Tsuchiya filed a petition (Paper No. 28) to the Commissioner, seeking review of the Examiner's decision with respect to the denial of his motion to add as to proposed counts 7 and 10 to 16. Woods filed a petition (Paper No. 30) to the Commissioner, seeking review of the Examiner's decision denying his motion to dissolve on the ground of estoppel. Both petitions were denied[6]. The Woods motion for judgment and the Tsuchiya motion and renewed motion for judgment were remanded to the Board for consideration.

Because of the complex issues raised in the motions for judgment, the Board exercised its discretion under 37 CFR 1.243(a) and set an oral hearing for November 15, 1983, to consider (1) the matters raised in these motions and (2) the other matters raised in Tsuchiya's motion to add and Woods' motion to dissolve on the ground of lack of support. Both parties appeared, through counsel, at the hearing. At the hearing both parties agreed that this interference is ripe for a decision on the merits and made it clear that neither intended to take any testimony regarding the issues before us or any other matter with respect to this interference.

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[4] This issue is not properly framed as a party's right to make the counts, but rather as a party's right to make his *claims* corresponding to the counts. *Squires* v. *Corbett*, 560 F.2d 424, 194 USPQ 513 (CCPA 1977). Presumably, Woods intends that Tsuchiya has no right to make his claims corresponding to the counts because he lacks support for those claims.

[5] The proposed counts were added as counts 7 and 8. See the notice of redeclaration, dated November 18, 1983.

[6] Paper No. 35, dated October 17, 1983.

Postures of the Parties

Tsuchiya argues that the Primary Examiner should have granted his motion to add as to proposed counts 7 and 10 to 16 and, therefore, requests that we review his decision thereon and add these counts to this interference. Also, Tsuchiya argues that Woods is estopped from asserting a claim to priority of the subject matter of the counts in issue because Tsuchiya was awarded priority of invention in prior Interference No. 99,953 between them, citing *Blackford* v. *Wilder,* 28 App.D.C. 535, 1907 CD 491 (1907) and *Guggenheim* v. *Stoudt,* 206 USPQ 922 (Bd. Pat. Int. 1980).

Woods argues that the Tsuchiya disclosure lacks support for his claims corresponding to the counts in issue (See note 4.) and if it is determined that Tsuchiya can support his claims, then he is estopped from claiming the invention defined by the counts in issue because, as the junior party in the prior interference proceeding, he failed to move to add the subject matter of these counts to that proceeding, citing *Meitzner* v. *Mindick,* 549 F.2d 775, 193 USPQ 17 (CCPA 1977); In re *Hoover Co.,* 134 F.2d 624, 57 USPQ 111 (CCPA 1943); and Ex parte *Miller,* 124 USPQ 419 (Bd. App. 1959).

OPINION

A. The Tsuchiya Motion to Add

The Tsuchiya request that we review the Primary Examiner's decision on motion insofar as he denied the motion to add is *denied.*

The denial of a motion to add counts is not a matter over which we have jurisdiction under 37 CFR 1.258(a) because it has not been held to be ancillary to priority as was explained by a panel of this Board in *Smith* v. *Hayashi,* 209 USPQ 754 (Bd. Pat. Int. 1980), i.e., our jurisdiction is limited only to those counts before us. Our position here is consistent with *Hester* v. *Allgeier,* 646 F.2d 513, 209 USPQ 370 (CCPA 1981). In *Hester,* the Primary Examiner determined that proposed count

2 was patentable and *granted* (rather than denied) a motion to add the proposed count over Hester's opposition which urged that proposed count 2 was not patentably distinct from count 1. The court held that the Board could review the granting of a motion to amend and decide the issue of patentalbe distinctness raised in Hester's opposition.

B. Tsuchiya's Right to Make

I

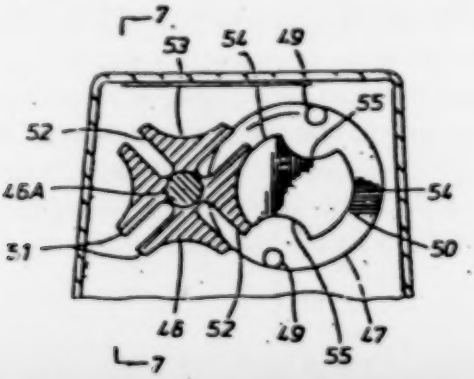
It is Woods' position that Tsuchiya cannot support the feed means limitations of his claims corresponding to the counts, in particular the following:

(1) "actuator means controlling rotation of said storage spool means to uncoil selectively a portion of said line member" of claim 13 corresponding to count 1,

(2) "Feed means to uncoil selectively a portion of said line member during rotation of said head member" of claim 24 corresponding to count 2, and

(3) "feed means for selectively unwinding additional predetermined incremental lengths of said member" of claim 28 corresponding to count 6.

Woods contends that these limitations require that the storage spool be secured against rotation during the line member non-feeding condition so that the spool will not uncoil during the operation of the apparatus. To support his position, Woods points to his figure 6, below, which depicts a feed means comprising a conventional Geneva-type gear arrangement.



In this figure, the line member, not shown, is coiled on a spool mounted on shaft 46A. Attached to the shaft is a configuration resembling a Maltese cross and being composed of eight projections 51 located to define four slots 52 and four concave surfaces 53. The spool attached to the shaft is secured against rotation during the line member non-feeding condition by surface 53 in contact with detent shoulder (convex member) 54 of the actuator 47. When pin 49 of the circular actuator 47 engages and enters a slot 52, the spool will be rotated until the pin exits the slot, thereby feeding an incremental amount of line member into the cutting plane.

Adverting to Tsuchiya's figures 8 and 9,

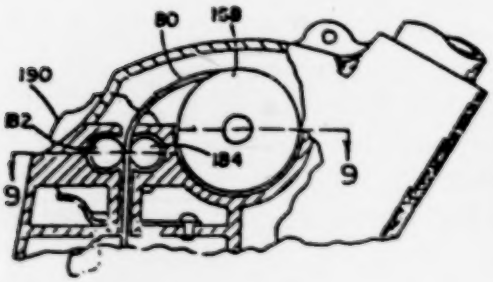


FIG. 8

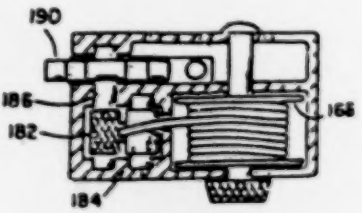


FIG. 9

Woods states that the line member 80 is coiled on spool 168 mounted on shaft 172 and is fed incrementally into the cutting place [sic] by rotating pinch rollers 182 and 184. Woods contends that the Tsuchiya disclosure does not show any means for securing the spool against rotation to prevent uncoiling of the line member during the line member non-feeding condition, i.e., when rollers 182 and 184 are stationary.

It is Tsuchiya's position that his disclosure supports the limitations in question because pinch rollers 182 and 184 together with the rigidity of filament 80 prevent any detrimental uncoiling when the rollers are stationary. Even if the spool rotates and the filament 80 uncoils to some degree, argues Tsuchiya, these elements 182, 184 and 80 meet the feeding means limitations of the counts.

II

It is well settled that the count must be given the broadest interpretation which it will reasonably support. *Field* v. *Stow*, 49 F.2d 840, 9 USPQ 347 (CCPA 1931). The count should not be given a contrived, artificial or narrow interpretation which fails to apply the language of the count in its most logical sense. *Grasselli* v. *Dewing*, 534 F.2d 306, 189 USPQ 637 (CCPA 1976).

We do not agree with Woods that Tsuchiya cannot make his claims corresponding to the counts because we do not consider that the actuator means controlling the rotation of the spool or the feed means to uncoil selectively a portion of the line member from the spool can be construed to require that the actuator or feed means be positively secured against rotation to prevent any uncoiling of the line member during the line member non-feeding condition. As a matter of fact, Woods' claims corresponding to the counts do not *exclude all rotation of the actuator or feed means during this condition. Dependent claims, even those not involved in the interference, are significant evidence, if not the best evidence, of the scope of the count language before us. Bethell* v. *Koch*, 427 F.2d 1372, 166 USPQ 199 (CCPA 1970). A dependent claim further limits the claim upon which it depends, and is construed to include all the limitations of the claim incorporated by reference. See 37 CFR 1.75. Among Woods' dependent claims is claim 16[7] which limits Woods' actuator or feed means to include further means to secure the spool against rotation during the line member non-feeding condition and thus it is clear to us that such rotation is not excluded by Woods' claims. Indeed, if we were to give the counts the narrow construction suggested by Woods, his patent claims corresponding to the counts would be inoperative because they do not *exclude* any rotation during this condition. We do read patent claims to include inoperative

[7] Claim 16 depends upon Woods claim 15 which corresponds to count 8.

embodiments. *Whitehouse* v. *Sauer,* 25 CCPA 984, 94 F.2d 821 (1938). Thus, we can only read the count to include a filament sufficiently inflexible such that the apparatus would function.

In view of the foregoing, it is clear that the actuator or feed means limitations in question do not exclude some rotation or uncoiling of the spool during this condition and thus we hold that Tsuchiya has the right to make his claims 13, 15 and 25 to 29 corresponding to counts 1 to 8 in issue.

C. The Woods Motions for Judgment

Having found that Tsuchiya can make his claims corresponding to the counts, we will not consider the motion for judgment on the ground of estoppel.

I

The parties were involved in prior Interference No. 99,953. The subject matter in issue was defined by count 1 as follows:

> Apparatus for cutting vegetation and the like comprising: a member rotatable about an axis normal to a cutting plane; means forming a continuous passageway in said member extending from a first opening intersected by said axis to a radially spaced second, tubular opening intersected by said cutting plane; flexible line means extending through said passageway and including a first end portion extending outwardly from said first opening and secured externally of said member against rotation with said member, and a second, free travelling end portion extending outwardly from said second, tubular opening, said lines means being confined within said tubular opening and free to rotate about its own axis of elongation within said passageway as said member is rotated.

During the motion period in Interference No. 99,953, Woods filed a motion to substitute or add proposed count A which was as follows:

> An apparatus for cutting vegetation and the like comprising:
>
> a head member having an axis of rotation perpendicular to a cutting plane and further having an aperture adjacent its perimeter,
>
> driving means for rotating said head member about said axis,
>
> a flexible non-metallic line member disposed at least partially within said head member, and
>
> feed means secured against rotation with said head member for dispensing a portion of said line member from said aperture into said cutting plane.

In his decision on motions, the Primary Examiner denied the Woods motion to amend. Thereafter testimony times were set in accordance with 37 CFR 1.251. During the period set for preparation for testimony, Tsuchiya timely filed a motion for additional discovery under 37 CFR 1.287(c). The Board granted the motion and ordered Woods to produce certain discovery. Subsequent to the granting of the motion, Tsuchiya filed a motion for sanctions under 37 CFR 1.287(d)(2) stating that Woods had not complied fully with the Board's order. The Board granted Tsuchiya's motion to the extent that it ordered Woods to show cause why judgment should not be rendered against him and stated that any response to the order must include as a minimum (1) full compliance with the discovery order and (2) a verified statement by Woods containing good and sufficient reasons as to why he had failed to comply with the discovery order. Woods responded to the order; however, the Board found that the response did not contain a good and sufficient showing and accordingly awarded priority to Tsuchiya. Afterwards, Woods filed a petition to the Commissioner, whose decision is reported at 207 USPQ 228. In his

decision, the Commissioner indicated that Woods' route was to seek judicial review of the final decision of the Board. Woods did not seek judicial review. The interference was terminated and the Woods application was returned to the Primary Examiner for further ex parte prosecution during which Woods obtained the allowance and the issuance of his claims which correspond to the counts in issue.

II

In his motion, Woods alleges that the prior interference was terminated by an award of priority on a matter ancillary to priority, i.e., a judgment under 37 CFR 1.287(d)(2), and that this award did not change the presumption under 37 CFR 1.257(a) that he was the first inventor vis-a-vis Tsuchiya, citing 37 CFR 1.257(b)[8]. Therefore, argues Woods, judgment should be entered against Tsuchiya because as the junior party in the prior proceeding he had failed to file a motion to add the subject matter of the present counts to that proceeding and is estopped from asserting that subject matter in this proceeding. In his opposition to the motion, Tsuchiya argues that the judgment in the prior interference was one on the merits and that he, as the winning party, is not estopped from claiming this subject matter.

In their oral argument both parties stated, and we agree, that the present counts are for an invention patentably distinct from that of proposed count A and count 1 of the prior proceeding, i.e., the present counts are not for the same patentable invention as proposed count A.

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[8] 37 CFR 1.257(b) reads:

(b) The termination of the interference by dissolution under §1.237, without an award of priority, or by an award of priority based solely upon ancillary matters, shall not disturb this presumption, and a party under these circumstances enjoying the status of a senior party with respect to any subject matter of his application shall not be deprived of any claim to such subject matter solely on the ground that such claim was not added to the interference by amendment under §1.231.

III

The Woods motion for judgment is *denied.*

Authority is to the effect that it is the *losing* party upon whom estoppel falls in an interference. See, inter alia, 2 Revise and Caesar, *Interference Law and Practice,* Section 244, page 986 (The Michie Co. 1943) which states that

> . . . the *losing party* cannot make any claim which is not patentably distinct from the counts of the issue or which reads on a case of the winning party to which he has had access. . . . [Emphasis added.]

In those cases cited by Woods, it was the losing party who was estopped. See also In re *Shimer,* 69 F.2d 556, 21 USPQ 161 (CCPA 1934). We know of no authority for estopping a winning party for failure to move.

Here, Tsuchiya was the winning party in the previous interference and consequently he is not estopped from claiming the subject matter of his claims corresponding to the counts in issue. Accordingly, the Woods motion is *denied.*

D. The Tsuchiya Motion for Judgment

In his motion, Tsuchiya moves for judgment on the basis of estoppel. He contends that since he was awarded priority on the merits in the prior proceeding, Woods is estopped because of that judgment and, therefore, priority of invention should be awarded to Tsuchiya.

The Tsuchiya motion is *granted.*

As the Court made clear in *Stoudt v. Guggenheim*[10], 651 F.2d 760, 210 USPQ 359 at 363 (CCPA 1981):

---

[9] Though Section 245 of Rivise and Caesar notes an exception to this general rule, we note that 37 CFR 1.231(a)(3) no longer condones this exception. See *Fraze* v. *Siemonsen,* 186 USPQ 480 (Bd. Pat. Int. 1974).

[10] We note that in the prior interference Guggenheim was the winning party.

Board Of Patent Interferences Decision, December 19, 1983

> In the early case of Blackford v. Wilder, 28 App. D.C. 535, 1907 C.D. 491 (Appeals D.C. 1907), when the District of Columbia Court of Appeals was the reviewing tribunal for Patent Office decisions, the doctrine of estoppel was held to mean that a final judgment in an interference was conclusive of all matters which were there adjudicated and also of all matters which *might have been* adjudicated. In Avery v. Chase, *supra,* [26 CCPA 823, 101 F.2d 205, 40 USPQ 343 (1939)], this court held that the doctrine of estoppel was not limited to principles of res judicata but gives weight to procedural consideration of the rules regarding interference practice. [Emphasis in the original.]

The only exception to this long established doctrine of estoppel is set forth in 37 CFR 1.257(b) which provides for a judgment based solely on ancillary matters, akin to a dismissal without prejudice in the Federal Courts. Under §1.257(b), an ancillary matter is one which ordinarily relates to a party's disclosure or his conduct with respect to his application, such as compliance with the first paragraph of 35 USC 112 (See, inter alia, *Ellis-Foster Co.* v. *Union Carbide Corp.,* 284 F.2d 917, 127 USPQ 297 (3d Cir. 1960); and *Squires* v. *Corbett, supra,* note 4). However, a judgment under 37 CFR 1.287(d)(2) for failure to comply with a discovery order is not such a judgment within the meaning of the rule, which is akin to a dismissal *with* prejudice as compared with the practice in the Federal Courts where a dismissal with prejudice is issued against a party refusing to produce discovery. See *Nasser* v. *Isthmian Lines,* 331 F.2d 124 (2d Cir. 1964) and *Stebbins* v. *State Farm Mutual Auto Ins. Co.,* 413 F.2d 1100 (D.C. Cir. 1969), *cert. denied,* 396 U.S. 895 (1969). Consequently this judgment is one with prejudice and is final as to those matters in contention and as to those which could have been raised and decided.

In this case, a judgment under 37 CFR 1.287(d)(2) for failure to comply with a discovery order under 37 CFR

1.287(c) was issued against Woods. Woods did not comply with the order, nor did he seek judicial review. Rather, he elected to prosecute his application ex parte and obtained claims reading upon the application of the winning party. If Woods' conduct were condoned, parties to an interference including senior parties, could turn a deaf ear to the Board's order for additional discovery under 37 CFR 1.287(c), permit the entry of judgment under 37 CFR 1.287(d)(2) against them and then assert claims which read upon the application of the winning party or which are not patentably distinct therefrom, thereby necessitating another interference proceeding and unduly harrassing the winning party. An interference is a proceeding under 35 USC 135 operating within the framework of the Rules of Practice (37 CFR) which have the force and effect of law. *Piel* v. *Falkner,* 426 F.2d 412, 165 USPQ 708 (CCPA 1970). It is in the public interest to avoid relitigation of questions which could have been raised and decided in an earlier interference and to give a sanctity and finality to a judgment. To condone a situation as here is intolerably inimical to the public interest in the present resolution of interference matters.

For the foregoing reasons, the Tsuchiya motion is *granted.*

SUMMARY

A. The Tsuchiya request that we review the Primary Examiner's denial of the Tsuchiya motion to add proposed counts is *denied.*

B. The Woods motion to dissolve on the ground that Tsuchiya lacks support for the counts in issue is *denied.*

C. The Woods motion for judgment is *denied.*

D. The Tsuchiya motion for judgment is *granted.*

Board Of Patent Interferences Decision, December 19, 1983

AWARD OF PRIORITY

Priority of invention of the subject matter in issue is hereby awarded to William Sadayuki Tsuchiya, the junior party.

NORMAN G. TORCHIN

Norman G. Torchin,
Examiner of Interferences

MICHAEL SOFOCLEOUS

Michael Sofocleous, *Acting*
Examiner of Interferences

FRED E. McKELVEY

Fred E. McKelvey, *Acting*
Examiner of Interferences

BOARD OF PATENT INTERFERENCES

Court of Appeals Amended Order, Filed May 7, 1985

United States Court of Appeals for the Federal Circuit

DONALD M. WOODS,
Appellant,

v.

WILLIAM S. TSUCHIYA,
Appellee.

No. 84-871

AMENDED ORDER

A petition for rehearing and a suggestion for rehearing in banc having been filed in this case,

UPON CONSIDERATION THEREOF, it is Ordered by the court that the petition for rehearing be, and the same is hereby, Denied.

The suggestion for rehearing in banc is declined.

Judge Miller would grant the petition for rehearing.

FOR THE COURT

George E. Hutchinson,
George E. Hutchinson,
Clerk

May 7, 1985
Date

cc: James F. Haley, Jr.
Richard R. Trexler

Patent Office Rules

Patent Office Rule 231(a)(2)
37 C.F.R. § 1.231(a)(2)

"Motions before the primary examiner.

(a) Within the period set in the notice of interference for filing motions any party to an interference may file a motion seeking:

* * *

"(2) To amend the issue by addition or substitution of new counts. Each such motion must contain an explanation as to why a count proposed to be added is necessary or why a count proposed to be substituted is preferable to the original count, must demonstrate patentability of the count to all parties and must apply the proposed count to all involved applications except an application in which the proposed count originated."

Patent Office Rule 257
37 CFR § 1.257

"Burden of proof.

(a) The parties to an interference will be presumed to have made their inventions in the chronological order of the filing dates of their applications for patents involved in the interference or the effective filing dates which such applications have been accorded; and the burden of proof will rest upon the party who shall seek to establish a different state of facts.

(b) The termination of the interference by dissolution under § 1.231 or § 1.237, without an award of priority, or by an award of priority based solely upon ancillary matters, shall not disburb this presumption, and a party under these circumstances enjoying the status of a senior party with respect to any subject matter of his application shall not be deprived of any claim to such subject matter solely on the ground that such claim was not added to the interference by amendment under § 1.231."

Patent Office Rules

Patent Office Rule 287(d)(2)
37 CFR § 1.287(d)(2)

"Discovery.

* * *

"[d](2) Any failure to comply with an order under the provisions of paragraph (c) of this section may be considered by the Board of Patent Interferences as basis for applying appropriate restrictions against the party failing to comply, for holding certain facts to have been established, and in an appropriate case for awarding priority against him, or for taking such other action as may be deemed appropriate."

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No. 84-1943

IN THE

Supreme Court of the United States

OCTOBER TERM, 1984

DONALD M. WOODS,

Petitioner,

v.

WILLIAM S. TSUCHIYA,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

BRIEF FOR TSUCHIYA IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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GENERAL STATEMENT

This case comes before the Court upon a petition by Woods for writ of certiorari to the United States Court of Appeals for the Federal Circuit, upon an interference proceeding between petitioner Woods and respondent Tsuchiya, in the United States Patent and Trademark Office. Tsuchiya opposes the petition.

The Proceedings Below

The Woods petition discusses the nature of the subject matter, and purports to set forth a history of the proceedings below. It includes (pages A-1 to A-23) a transcript

of the decision by the Court of Appeals,[1] and at pages A-24 to A-39, a transcript of the decision by the Board of Patent Interferences.[2] However, we should like to set forth a brief chronology of the proceedings below as seen by the respondent.

The earlier interference between the parties, No. 99,553, occurred while both parties had pending patent applications. There was one interference count, which is set forth in the petition, at the top of page A-4.

During the interference, the party Woods brought a motion to add an additional count, which we mention because Woods here seeks to rely heavily upon this fact. This claim, or proposed count, is recited in the decision of the Court below, and appears at the bottom of page A-4 of the Woods petition. The present interference counts, or at least some of them, are also set forth in the decision of the court below, and here appear in the petition pages A-2 and A-3.

Woods would now argue, for whatever bearing it might have, that the proposed count[3] is "more like" the present interference counts, than is the count of the previous interference. But in the proceedings below, and as is factual, both parties have been in agreement:

> "that the additional count and the original count in the first interference are patentably distinct from each other and from the counts of the first interference".

---

[1] Reported 754 F.2d 1571; 225 USPQ 11.

[2] Reported 220 USPQ 984.

[3] Which was held by the Examiner to be unpatentable, and was never added to the interference.

See decision of the Court below, lines 1-5, top of Woods petition, page A-5.

Which claims may be "more like" other claims is a matter of debate, and also a matter of inconsequence. Inasmuch as the count of the previous interference and the counts of the present interference have all been found to be patentable, whereas the proposed count was not an acceptable claim, we cannot agree with Woods that the proposed count and the present interference counts are similar.

As the earlier interference, No. 99,553 progressed, questions of "derivation" arose.[4] Derivation in a patent interference case is when one party derives or is alleged to derive the invention from the other.

Tsuchiya thereupon moved for discovery, which was granted by the Board; and after due proceedings had, the Board held that Woods had not complied with the Board's discovery order, and entered an adverse judgment against Woods. Woods took a petition to the Commissioner from the Board's decision, which petition was denied.[5] The Commissioner indicated that Woods' route was to seek judicial review of the final decision of the Board (petition A-35, line 2) but Woods elected not to seek such judicial review.

Upon termination of interference No. 99,553, Woods resumed ex parte prosecution with his application, and obtained allowance from the Primary Examiner of the claims which constitute the counts of the present interference. Tsuchiya saw these claims upon issuance of the

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[4] Decision of the court below, petition page A-5, line 11.

[5] Reported 207 USPQ 228.

Woods patent, and copied them for interference purposes, whereupon the present interference No. 100,928 was declared.

Upon declaration of the present interference both parties filed motions, upon which rulings were made by the Primary Examiner and the Board, the material ruling here being that upon the basis of the foregoing, the Board held that Woods is estopped to assert the interference counts, thus awarding priority of invention to Tsuchiya. Upon appeal to the Court of Appeals the Board's decision was affirmed (Judge Miller dissenting). The Court adhered to its decision on petition for rehearing and suggestion for rehearing *en banc*.

Comments with Respect to the Petitioner's Statement of "Questions Presented"

Upon page 1, petitioner lists the "Questions Presented" by the present petition.

As to Question 1, it is respectfully submitted that the terminology used is confusing and inaccurate insofar as the concluding line states or seeks to imply that the subject matter of the present interference counts is that of the claim of the Woods motion to add. As has been previously discussed, it has heretofore been "undisputed" both by Woods and Tsuchiya that both the additional count and the original count of interference No. 99,553, are patentably distinct from the counts of the present interference.

As to the second question listed by petitioner, the Court of Appeals and the Board of Patent Interferences did not commit improper judicial rulemaking, nor engage in rewriting of any Patent Office rule.

ARGUMENT

Both the Board of Patent Interferences and the Court of Appeals decided the present case upon the long-established rule that a final judgment in an interference is conclusive of all matters which were adjudicated, and also all matters which might have been adjudicated (Court of Appeals Decision Pet. page A-18); citing *Stoudt v. Guggenheim*, 651 F.2d 760, 764, 210 USPQ 359, 363 (CCPA 1981); which in turn cites *Blackford v. Wilder*, 28 App.D.C. 535, 1907 CD 491 (App.D.C. 1907)—Petition, top page A-37.

This rule has been long established, is proper, and has been properly applied both by the Board and the Court in the present case. There is no conflict with Patent Office Rule 257 (37 CFR Sec. 1.257). This rule sets forth that an award of priority based *solely upon ancillary matters* "shall not disturb the presumption of priority which favors a senior party. In the present case both the Court and the Board have held that the rule does not apply.

The common situation for the application of Rule 257 is where a first party moves to dissolve an interference upon the ground that the second party's application does not support the interference count; and the motion is denied by the Primary Examiner. If the matter is then again raised at final hearing, and the Board disagrees with the Examiner, the Board lacks jurisdiction to make a ruling other than to award priority against the party whose case does not support the count. This is the conventional "ancillary matter" and is tantamount to a ruling that the interference should never have been declared in the first place.

The present interference is not such a situation. Here both the Board and the Court have held that the award of priority against Woods in prior interference No. 99,553 was an award of priority upon the merits, and not merely upon an ancillary matter. The Court said (page A-18):

> "In the instant case, the discovery order related to evidence bearing directly on the heart of the first interference—originality and derivation. Woods' refusal was the exact equivalent of a refusal to produce evidence going to the very issue of whether he had the priority he claimed. These were per se priority questions."

Both the Board and the Court were fully cognizant of Rule 257, and held that it does not here apply.

While the Court, in its decision (A-16), refused to delineate the metes and bounds of Rule 257, no uncertainty was exhibited by the Court (or by the Board) that the judgment in prior interference No. 99,553 is not within the rule and was an award of priority upon the merits.

CONCLUSION

The case for the petitioner Woods has been fully considered in prior interference No. 99,553, by the Board of Patent Interferences, and upon petition by the Commissioner of Patents. In the present interference No. 100,928 petitioner's position has been considered by the Board of Patent Interferences, and by the Court of Appeals, and again by the Court upon petition for rehearing, and upon suggestion for rehearing *en banc*. Having been fully informed, both the Court and the Board have applied the long-standing rule of *Blackford v. Wilder* and *Stoudt v. Guggenheim*, and have found no conflict with Patent Office Rule 257 (37 CFR 1.257).

It is respectfully submitted that the Woods petition for certiorari should be denied.

Respectfully submitted,

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REPLY BRIEF IN SUPPORT OF PETITION FOR CERTIORARI

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REPLY BRIEF IN SUPPORT OF PETITION FOR CERTIORARI

Tsuchiya's brief in opposition to the petition raises two new arguments to which a very short response seems appropriate.

ARGUMENT

1. The first new argument raised in Tsuchiya's brief is the keystone of his very narrow "response" to the petition's showing of deprivation of patent rights without due process of law.

At page 3 of the brief in opposition it is stated:

> "Inasmuch as the . . . counts of the present interference have all been found to be patentable, whereas the proposed count was not an acceptable claim, we cannot agree with Woods that the proposed count and the present interference counts are similar."[1]

There is a fatal fallacy in this argument: an incorrect implication that the difference between the proposed count being "not . . . acceptable" to the Patent Office[2] and the present counts being held patentable, is due to dissimilar subject matters. This is not the case.

It was conceded by both parties in the first interference, and the Examiner agreed, that the line feed count proposed by Woods literally read on a prior Pittinger patent, applied for on October 15, 1974, before the Woods and Tscuhiya filing dates. That count thus would be anticipated and unpatentable if Pittinger was an effective reference. Woods, however, argued that Pittinger was not an effective reference against either party because both Woods and Tsuchiya had sworn to dates for their first work which were prior to Pittinger's filing date. Tsuchiya disagreed with Woods' argument, contending that the prior

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[1] This statement follows a misquotation (brief in opposition, page 2), plainly inadvertent, from the Court of Appeals opinion, a quotation which (when corrected) is to the effect that Woods conceded the proposed line feed count in the first interference and the line feed counts in this second interference are "patentably distinct". The error is in the next to the last word of Tsuchiya's quotation; this word should be "present" instead of "first". Tsuchiya on page 4 of his brief in opposition uses the correct wording.

[2] By "not . . . acceptable" Tsuchiya means, as his brief earlier states (page 2 n.3) that the proposed count "was held by the Examiner to be unpatentable, and was never added to the interference".

"swearing back" by the parties applied only to previously considered subject matter (involving cutting head construction) which was different from that of the proposed count (line feed mechanisms, broadly). The Examiner accepted Tsuchiya's position on this in denying Woods' motion to amend (also ruling there could be no reconsideration of his holding). After Woods had judgment entered against him in the first interference, he resumed ex parte prosecution, again sought broad line feed claims and filed another affidavit swearing back of Pittinger's filing date, an affidavit which this time was accepted as directed to the claimed line feed subject matter, leading to the later allowance to Woods of various line feed claims, including those in the second interference.

Thus, Tsuchiya's reliance on the different Patent Office holdings against the proposed line feed count in the first interference and in favor of the line feed counts now in this interference, in no way contradicts Woods' position that the line feed subject matter of the proposed count in the first interference and the line feed subject matter of the counts in the present interference are substantially the same.

Nor is this similarity contradicted by Tsuchiya's reliance on any "concession" by Woods that the proposed count and the counts in the present interference are "patentably distinct". Making the comparison suggested by Tsuchiya (brief in opposition, page 2) between the proposed count (petition, page A-4) and, for example, "representative" present count 2 (petition, pages A-2 to A-3), one can readily see that the claims are indeed substantially similar in scope,[3] with count 2 "patentably distinct" from the proposed count in the sense that count 2 contains limitations that the feed means uncoil the line "selectively" and "during the cutting of vegetation". Clearly, the position taken by Tsuchiya in the first interference, followed by the Examiner, in denying Woods' motion to amend, also

[3] The scope of present count 2 is, in effect, limited by law to feed means "secured against rotation" with the cutting head (see petition, page 8 n.4).

effectively foreclosed from that interference the similar line feed claims in the present interference. Under the circumstances, we believe it to be palpably unfair, and a denial of due process, to use the first interference as a basis in the second interference for depriving Woods of the line feed claims he finally obtained and for awarding those claims to Tsuchiya, who successfully fought against the introduction of any line feed subject matter in the first interference.

2. The second new argument raised in Tsuchiya's brief in opposition (pages 5-6) is that the award of priority in the first interference could not have been solely on an "ancillary matter" within the meaning of Patent Office Rule 257 because the "common situation" for the application of that Rule is a dissolution of the first interference and an award of priority based on the other party's inability to support the count. According to Tsuchiya, that is

> "the conventional 'ancillary matter' and is tantamount to a ruling that the interference never should have been declared in the first place"

and, says Tsuchiya, since "the present interference is not such a situation", Rule 257 cannot apply.

But there is nothing in Rule 257 to support this narrow interpretation, and there is authority directly to the contrary on this very point (see, e.g., *Ex parte Voris*, 92 USPQ 47 (PO Bd App. 1951), where the senior party's abandonment of the first interference was held under Rule 257 not to estop him in a later interference on patentably distinct subject matter), and even the Court of Appeals' view of Rule 257 is not in accord with this new argument of Tsuchiya's (see petition, page 14 n.8).[4]

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[4] Actually, Woods' inability to contest the subject matter of feed means in the first interference is akin to having had that interference dissolved, and "never . . . declared in the first place", with respect to the count he proposed. As to Tsuchiya's related argument that the Court of Appeals in the present case (in holding Rule 257 did not apply) also indicated that the award in the first interference could not be viewed, in effect, as on the merits (see petition, pages 12-14).

CONCLUSION

For the reasons set forth in the petition and this reply brief, a writ of certiorari should issue in this case.

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